

Annual Lease Value

Generally, you figure the annual lease value of an automobile as follows.

- 1) Determine the fair market value of the automobile on the first date it is available to any employee for personal use.
- 2) Using the following *Annual Lease Value Table*, read down column (1) until you come to the dollar range within which the fair market value of the automobile falls. Then read across to column (2) to find the annual lease value.

Fair market value. The fair market value of an automobile is the amount a person would pay to buy it from a third party, in an arm's-length transaction, in the area in which the automobile is bought or leased. That amount includes all purchase expenses, such as sales tax and title fees.

Annual Lease Value Table

(1) Automobile Fair Market Value	(2) Annual Value Lease
\$0 to 999	\$ 600
1,000 to 1,999850
2,000 to 2,999	1,100
3,000 to 3,999	1,350
4,000 to 4,999	1,600
5,000 to 5,999	1,850
6,000 to 6,999	2,100
7,000 to 7,999.....	2,350
8,000 to 8,999 .	2,600
9,000 to 9,999	2,850
10,000 to 10,999	3,100
11,000 to 11,999	3,350
12,000 to 12,999	3,600
13,000 to 13,999.....	3,850
14,000 to 14,999.....	4,100
15,000 to 15,999.....	4,350
16,000 to 16,999.....	4,600
17,000 to 17,999.....	4,850
18,000 to 18,999.....	5,100
19,000 to 19,999	5,350
20,000 to 20,999.....	5,600
21,000 to 21,999.....	5,850
22,000 to 22,999.....	6,100
23,000 to 23,999.....	6,350
24,000 to 24,999.....	6,600
25,000 to 25,999.....	6,850
26,000 to 27,999.....	7,250
28,000 to 29,999.....	7,750
30,000 to 31,999.....	8,250
32,000 to 33,999.....	8,750
34,000 to 35,999.....	9,250
36,000 to 37,999.....	9,750
38,000 to 39,999	10,250
40,000 to 41,999	10,750
42,000 to 43,999	11,250
44,000 to 45,999	11,750
46,000 to 47,999	12,250
48,000 to 49,999	12,750
50,000 to 51,999	13 250
52,000 to 53,999.....	13 750
54,000 to 55,999	14,250
56,000 to 57,999.....	14 750
58,000 to 59,999	15 250

For automobiles with a fair market value of more than \$59,999, the annual lease value equals (.25 X the fair market value of the automobile) + \$500.